THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) State Bank of India has reported that they have not received any demand made by the All India State Bank of India Officers' Association to raise the salary of the Chairman of the bank.

(b) Does not arise.

Bogus Plantation Companies

1440. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether a number of agricultural plantation companies have come up in the country collecting huge funds from the small investors promising most lucrative returns to the investors;

(b) if so, the total number of such companies which are registered with Government and their total deposits as on date;

(c) whether Government are aware that most of these companies are bogus and their post dated cheques have bounced; and

(d) if so, what institutional arrangements have been put in place to help the depositors in distress to recover their dues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) The Securities and Exchange Board of India (SEBI) regulates collective investment schemes in terms of the SEBI (Collective Investment Schemes) Regulations, 1999. In terms of these regulations, no person other than a Collective Investment Management Company which has obtained a certificate of registration under the Regulations, can carry on or sponsor or launch a Collective Investment Scheme (CIS). Also, no existing CIS can launch any new scheme or raise money from the investors even under the existing schemes, unless a certificate of registration is granted to it under the said Regulations.

SEBI has intimated that no entity running collective investment schemes in registered with them. However, as on 6th August, 2002,

SEBI has received information from 660 entities which had reportedly mobilised about Rs. 2690 crore from investors. SEBI has launched criminal prosecution against several of these entities for failing to wind up their schemes and repay their investors in terms of the Regulations.

SEBI has issued orders to 593 entities directing them to refund the money collected under the Schemes with due returns, within a period of one month from the date of the order.

Other action taken by SEBI includes debarring of the officials concerned of these entities from accessing the capital market for five years; launching of criminal prosecutions against 132 entities and their directors etc.

Reporting of cash transaction by Banks

1441. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether all banks have been issued instructions to report all cash transactions over Rs. 10 lakhs to the Reserve Bank of India;

(b) if so, the reasons therefor; and

(c) whether this will cause inconvenience to the general public as it could be misused?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Reserve Bank of India (RBI) have reported that they have not issued instructions to banks to report all cash transactions over Rs. 10.00 lakhs to RBI. However, branches of banks are instructed to report cash transactions of Rs. 10.00 lakhs and above as well as transactions of suspicious nature in fortnightly statements to their controlling offices. The controlling offices in turn are required to apprise their Head Offices of transactions of suspicious nature observed by them. RBI will look into these statements at the time of bank inspection.

RBI have further reported that banks have been advised from time to time to adhere to the prescribed norms and safeguards while opening accounts and to put in place systems and procedures to help to control financial frauds.